

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 796 - SB 964

March 1, 2023

SUMMARY OF BILL: Authorizes an applicant who is a graduate of an unaccredited engineering technology curriculum of four years or more with a record of 12 years or more of experience on engineering projects under the supervision of a licensed professional engineer who meets specific requirements to be eligible to take certain examinations upon which passing would grant the applicant a certificate of registration to practice engineering.

FISCAL IMPACT:

Increase State Revenue –

Exceeds \$900/FY23-24/Board of Architectural and Engineering Examiners

Exceeds \$900/FY24-25/Board of Architectural and Engineering Examiners

Exceeds \$700/FY25-26 and Subsequent Years/

Board of Architectural and Engineering Examiners

Assumptions:

- Such applicants would register through examination at a cost of \$30 plus an initial registration/biennial renewal fee of \$140.
- According to the Department of Commerce and Insurance (DCI) there are currently 15,837 active engineer licenses.
- The exact number of new licensees cannot be reasonably determined; however, it is assumed businesses or individuals will seek licensure for employees or self-licensure for increased business opportunities.
- For this analysis we will assume that at least 10 engineers will become registered as a result of purposed legislation.
- Assuming 50 percent become licensed in FY23-24, the increase in state revenue is estimated to exceed \$850 [(\$140 registration fee + \$30 exam fee) x 10 engineers x 50%].
- The remaining 50 percent will be licensed in FY24-25; the increase in state revenue is estimated to exceed \$850 [(\$140 registration fee + \$30 exam fee) x 10 engineers x 50%].
- In FY25-26 and subsequent years, there will be licensure renewal fee revenue resulting in an increase in state revenue exceeding \$700 [(10 licensees x 50.0%) x \$140].
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two-year period. The Board of Architectural and Engineering Examiners had a surplus of \$280,124 in FY20-21, a surplus of \$492,632 in FY21-22, and had a cumulative reserve balance of \$3,103,381 on June 30, 2022.

HB 796 - SB 964

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- The cost of licensing will be paid primarily by individuals and not businesses; the fiscal impact on business expenditures is estimated to be not significant.
- The increased number of licensees will not have a significant impact to the number of jobs in TN.
- Any increase in business opportunities will be relative to a single business or individual; the overall impact on commerce is assumed to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/lm